

2014 MARTIN COUNTY TRENDING PROJECT

Activity Summary

General

Martin County is one of the smallest counties in the state both geographically and by population. The county is made up of 6 townships with a total parcel count of just under 10,000 parcels.

Commercial/ Industrial

In the Town of Loogootee a large enough sample of improved commercial sales was available to develop a trending factor for each of the 2007 through 2011 ratio studies. However, the number of sales of commercial and industrial property in the remainder of the county was extremely limited. In those districts a cost index derived from *Marshall and Swift* was loaded into the county's Proval software system and batch recalculations of commercial and industrial properties were carried out each year. This methodology was employed beginning in the March 1, 2007 trending project. The market data available was used to help determine obsolescence depreciation if needed.

As part of the 2012 reassessment these inflation cost multipliers were removed and annual depreciation adjustments were removed upon the installation of the new 2012 cost tables. During the 2012 reassessment, the county's appraisal vendor carried out field inspections of all improved commercial and industrial property within the county. During the field inspection each property was checked for size, occupancy, use type, condition, and for variances that may have occurred since the 2002 revaluation, or from the time of last inspection.

For the March 1, 2013 assessment date new cost tables and depreciation tables were applied to the commercial parcels. A review was done of those parcels that showed significant changes due to application of the new tables.

The changes for March 1, 2014 were similar to 2013. The new county multiplier was loaded into the cost tables and applied. All improvements were again depreciated based upon their effective age as of the March 1, 2014 assessment date. No additional factors were applied.

Commercial Land

Due to the limited amount of raw land sales for commercial and industrial property, the county contracted with a local Realtor/Broker in 2008 to carry out a review of various parcels in both Perry and Halbert townships to help establish land valuations in those areas. The appraisals carried out were used to supplement and revise the land values established by the county. The primary revisions for 2007 through 2013 were the increases in the more desirable sites along the Highway 50-Highway 231 corridor through Loogootee. Beyond this 231 corridor the only other

area with some development is near the Crane Naval Weapons Center. Crane has opened a tri-county industrial park to house military contractors near the base.

Residential

All sales disclosures for residential properties are initially verified and validated by the county assessor's office by phone contact with the parties involved in the sale. Beginning in 2010 a field inspection has been made of all valid sale parcels along with many non-valid sales by the county's appraisal vendor. These inspections often result in finding renovated, omitted or removed improvements. Discussions with the owners onsite yields new information about the financing or family relationships which do not always appear on the disclosures.

Sales throughout the county have been relatively flat since late 2007 and have continued to stay that way through early 2014. This has necessitated only modest changes in the annual trend factors which has resulted in little movement in the residential valuations. The residential market has slowed in both volume and sales price level, and the number of distressed sales increased initially but has since decreased. However, there has not been a dramatic downturn in the market as seen in other parts of the state and country. The close proximity to the Crane Naval Weapons Center has helped stabilize the housing market and has encouraged some new construction of homes, primarily in the Perry Township area.

While sales have shown little movement overall there has been an increase in the number of sales at the higher end of the residential market, homes priced \$175,000 and higher.

Income Producing Properties

Martin County has a very limited number of multi-family housing apartments. The county has obtained income and expense data from the majority of those properties which is then used to arrive at income-based valuations based on capitalized net income. The county has also gathered rental data from residential rentals to develop GRM's to assist with valuing residential rental properties.

Other Data Sources

Unlike most counties there is very little data available through the MLS for properties in the county. Most of the data available consists of online listings, of which is primarily from Realtors located in adjacent counties. Beginning in 2007, and continuing through the present, MLS fact sheets are obtained and compared to the county's property cards for accuracy. Adjustments are made to the property cards following this review, if the current data on the cards is inaccurate.

Format Adjustment and Other Changes

As part of DLGF requirements the county has changed the pricing of single-wide mobile homes and those formerly priced as real property are now priced as personal property. The county has also changed the pricing of double-wide mobile homes and modular homes to “stick-built” dwelling pricing. Sales of properties containing personal property mobile homes are kept off the ratio study. Sales involving double wide or modular homes require closer review due to the volatile price swings seen with these types of homes.

Neighborhood Delineation

During the 2002 reassessment and equalization process neighborhoods were developed that incorporated all classes of property including agricultural, residential, commercial and industrial. While all part of the same neighborhood the multipliers and land values for each class were treated separately.

During the 2008 project the commercial, industrial and utility parcels were broken out into separate and new neighborhoods. While the boundaries remained unchanged and the impact on assessed value is minimal, the application of factors, recalculations, and tracking have become much simpler and more specific.

An example of this is changing the neighborhood number on all of the Loogootee commercial and industrial parcels from neighborhood number 9080 to the newly created number of 9087.

In 2012 the neighborhood number 9011 (Lazy Acres) was inactivated and those parcels combined into the larger Center Township #9010.

Ratio Study Combinations/ Groupings

Due to the very limited number of commercial and industrial properties located within Martin County, the sales of each class of industrial and commercial properties from all townships have been combined onto one ratio study for the entire county.

Beginning with the 2011 ratio study residential vacant sales from Center Township were combined with those from Rutherford Township to produce a more acceptable study sample. These townships are similar, adjacent and both lie west of the White River. Sales for residential vacant were also combined for Halbert, Lost river, and Mitcheltree Townships. These townships lie East of the White River, are adjacent, and make up large sections of the Martin State Forest.

The sample size of residential improved properties is large enough in both Center and Perry Townships to carry out separate studies. However the remainder of the county’s residential improved have been combined into one grouping (GroupedResImp).

Time Trending Sales and Expansion of Sales Pools

Due to the extremely small size and limited number of sales within the county all sales pools were expanded beyond the 14-month window allotted. The sales pool used for residential improved parcels was expanded to include sales from January 1, 2012 through February 28, 2014. In order to come up with an adequate number of residential vacant sales a sales window of January 1, 2011 through February 28, 2014 was used. Due to the resulting small number of sales remaining, homogenous townships were grouped to produce an adequate sample size. Time adjustments to sales in the expanded pools are detailed below.

For commercial and industrial properties the sales period was expanded to include sales from January 1, 2010 through February 28, 2014.

Opinions of change in the market from 2008 through the present were obtained from local Realtors and appraisers. There has not been a significantly measurable change in residential, commercial or industrial sales within the county to warrant a time adjustment. Also, use of year-over-year sales comparison of properties with multiple sales does not support time-trending of the older sales used.

Reassessment Activity

The 2012 general reassessment was a “complete” revaluation. All real property parcels were inspected on site during the reassessment with a majority of parcels being reviewed in a ‘scratch’ re-measure fashion. Since the completion of the reassessment the county has been actively updating records for 2014 through a comprehensive “cleanup” review and through the appeal process.

Setup and organization work has begun for the 2015 portion of the upcoming cyclical reassessment.